

Message Text

CONFIDENTIAL

PAGE 01 TEL AV 03134 070740Z

13

ACTION NEA-16

INFO OCT-01 ISO-00 SSC-01 EB-11 TRSE-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 OMB-01 DRC-01 AID-20 /125 W

----- 064062

R 061519Z JUN 74

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 2699

C O N F I D E N T I A L TEL AVIV 3134

E O 11652: GDS

TAGS: ECON, IS

SUBJECT: YEHOSHUA RABINOWITZ APPOINTED FINANCE MINISTER

1. APPOINTMENT OF YEHOSHUA RABINOWITZ AS FINMIN, IN PLACE OF YAAKOV LEVINSON, WAS LAST-MINUTE SURPRISE. RABINOWITZ IS ONE OF CLOSEST POLITICAL COLLABORATORS OF OUTGOING FINANCE MINISTER SAPIR AND CLEARLY OWES HIS NEW POSITION TO HIM (AS DOES LEVINSON, A SAPIR PROTEGE). RABINOWITZ HAS HAD LITTLE RELEVANT TRAINING OR EXPERIENCE FOR FINANCE MINISTRY, AND HIS INTIMATE ASSOCIATION WITH SAPIR RAISES QUESTION OF WHETHER HE CAN TAKE INDEPENDENT LOOK AT ECONOMY, AT TIME WHEN SO MANY POLICIES WITH WHICH SAPIR IS IDENTIFIED REQUIRE REEXAMINATION. ON OTHER HAND, HE HAS REPUTATION OF EXCELLENT ADMINISTRATOR AND HAS A SOLID POLITICAL BASE IN LABOR PARTY.

2. ALTHOUGH RABINOWITZ' NAME HAD BEEN MENTIONED AMONG OTHER POSSIBILITIES FOR FINANCE PORTFOLIO, HE HAD BEEN PUBLICLY PORTRAYED AS DESIRING TO REMAIN AS HOUSING MINISTER (FOR WHICH HE WAS DESIGNATED AT FIRST). HE APPARENTLY READILY ACCEPTED FINANCE MINISTRY IN THE END. SEQUENCE OF EVENTS EMPHASIZED FACT THAT NOMINATION OF NEW FINMIN HAD BEEN ENTRUSTED BY PRIME MINISTER RABIN TO SAPIR, AND SUGGESTS IMPORTANT ROLE SAPIR WILL PLAY IN ECONOMIC POLICY FIELD FROM HIS EXPECTED NEW POSITION AS HEAD OF JEWISH AGENCY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEL AV 03134 070740Z

3. RABINOWITZ HAS REPUTATION AS EXCELLENT ADMINISTRATOR, BUT

WITH SOMEWHAT COLORLESS PERSONALITY. HE IS ONE OF KEY FIGURES IN "GUSH" (HEBREW FOR BLOC), POLITICAL STERRING COMMITTEE OF OLD MAPAI, WHICH SAPIR HAS HEADED. RABINOWITZ, WHO IS 63 YEARS OLD, ROSE TO HIS PRESENT POSITION THROUGH POLITICAL MACHINE IN TEL AVIV. HE WAS ELECTED TO TEL AVIV MUNICIPAL COUNCIL IN 1959 AND APPOINTED VICE-MAYOR (1959-60); WHILE REMAINING MUNICIPAL COUNSELOR, HE SUBSEQUENTLY SERVED AS CHAIRMAN OF MUNICIPALITY'S FINANCE COMMITTEE (1961-ON) AND LATER CHAIRMAN OF BUILDING AND PLANNING COMMITTEE. HE WAS APPOINTED MAYOR OF TEL AVIV IN MARCH 1969, ELECTED IN SEPTEMBER 1969, THEN DEFEATED FOR REELECTION IN DECEMBER 1973. HE HAS SERVED ON NUMEROUS BOARDS AND COMMITTEES, INCLUDING STINT ON BANK LEUMI'S BOARD OF DIRECTORS; LATTER APPEARS TO BE HIS ONLY REAL FINANCIAL EXPERIENCE USEFUL TO HIM IN NEW CAPACITY AS MINISTER OF FINANCE.

4. THUS, FOR REASONS MENTIONED ABOVE RABINOWITZ' APPOINTMENT WAS RECEIVD WITH LITTLE ENTHUSIASM, PARTICULARLY BY THOSE WANTING A NEW LOOK AT ISRAELS ECONOMIC PROBLEMS. OTHERS BELIEVE THAT HIS POLITICAL EXPERIENCE, PLUS CONTINUED SUPPORT FROM SAPIR, WILL ENBALE HIM TO EXERCISE STRONG LEADERSHIP AT THIS KEY MINISTRY. EMBASSY'S VIEW IS THAT CONCLUSIONS ON HIS LIKELY EFFECTIVENESS ARE PREMATURE. VELIOTES

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, BIOGRAPHIC INFORMATION, PERSONNEL APPOINTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TELAV03134
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740144-1012
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740667/aaaacfxg.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2002 by shawdg>; APPROVED <19 FEB 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YEHOSHUA RABINOWITZ APPOINTED FINANCE MINISTER
TAGS: ECON, IS, (RABINOWITZ, YEHOSHUA)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005